The A. F. of L. Weekly News Service gives news summaries of material developments of matters affecting labor occurring in the industrial, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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Support THE MIGHTY WAR LOAN

WHOLE NO. 1782 WILLIAM GREEN, President WASHINGTON, D. C., TUESDAY, JUNE 5, 1945 GEORGE MEANY, Secretary-Treasurer VOL. 35, NO. 23

WAGE POLICY

By WILLIAM GREEN

President, American Federation of Labor

Postwar wage policies of the American Federation of Labor are clearly set forth in the following excerpts from an article appearing in the current issue of the American Federationist:

The development of uniform wage standards for the same work is one of labor's important postwar objectives. The War Labor Board policy of freezing-in geographical differentials under its cumbersome "wage bracket" system has done untold damage to sound wage determination. Labor is facing a postwar economy with greatly speeded transportation and increased overlapping of regional markets. Competition based on substandard wages in depressed and distressed areas must not be allowed to prevail. For, such wage competition, giving competitive advantage to low wage areas, can become a great disruptive force whereby all wage standards would be pulled down to the lowest competitive levels.

Another vital and difficult problem of postwar wage policy is the adjustment of wage rates necessary to meet the reduction in weekly earnings due to the elimination of overtime and shortening of hours. In war industries the most general reduction in weekly hours is likely to be from the 48- to the 40-hour week. As time goes on, even a 30-hour workweek may become practical and desirable in many industries.

The immediate change from a 48- to a 40-hour week involves the elimination of overtime pay, now generally paid for work done after 40 hours. If the rate of pay is $1 an hour, this change involves a reduction of 16 percent in the time worked and a 16 percent reduction in weekly pay. At this rate, to preserve the same weekly income on the reduced work schedule, a 50 percent increase in the straight-time pay would be necessary.

The worker paid $1 an hour and working a 48-hour week is now receiving $52 a week. If the hours are reduced to 40, his weekly income would be cut to $40 a week. In order to maintain the same weekly income for the shortened workweek, it would be necessary to increase his hourly rate from $1 to $1.30 an hour. In any establishment where hours of work are to be reduced or have been reduced, the War Labor Board should give automatic approval to adjustment in the hourly wage rates of employees concerned, to compensate for the loss of weekly earnings resulting from the reduction in hours worked and elimination of overtime. Such approvable compensatory increases in wage rates should be permitted up to the point where the reduction in hours and the weekly earnings yielded by the longer workweek. While this will establish the limit for approvable compensatory increases, the actual determination of such increases should be left to collective bargaining.

Drastic loss of pay is likely to result in many areas where workers move from higher-paying war jobs to lower-paying peacetime jobs. This is especially true of shifts from heavy industries to distributive trades and services. To meet this loss of income through downgrading, adjustments in substandard wages now limited to a minimum of 55 cents an hour should be raised to a considerably higher figure—the AFL has recommended 72 cents an hour as the proper minimum.

In addition, wage adjustments claimed by the American Federation of Labor as necessary to meet the inadequacy of the Little Steel formula, to the extent of 11 percent, should be permitted as a matter of general application.

Reconversion wage policy should take into account increases in productivity which have taken place during the war. In most war industries, technological changes have brought with them a greatly increased work-load per worker. In any case, where it is shown that the skill requirements, the work-load or the hourly output of employes has substantially increased since May, 1941, upward adjustments in wage rates should be permitted, to correspond with such increases in output or productivity, up to 30 percent of the wage rates currently paid.

So long as the war with Japan continues, it is necessary to safeguard the wages of workers who must forfeit the more permanent job opportunities in order to man essential war jobs. Wherever war production may be threatened by the desire of war workers to seek stable peacetime employment, wage adjustments should be permitted up to 30 percent of wages now to be currently paid, to aid in the continued effective prosecution of the war.

Establishment of this permissive element of wage adjustment would retain the essential framework of the wage stabilization law as a part of the wartime economic stabilization policy. Within these limits, the actual adjustment in wage rates should be left to labor and management, with war determination arrived at through the process of collective bargaining.

Collective bargaining on a voluntary basis is the most effective and efficient machinery for the complex process of wage determination in the great multiplicity of work relationships in our industry and trade. In the acceptance of this process, and the maximum utilization of it, is our best assurance of orderly transition to full employment. Reliance on collective bargaining as a basis for union-management cooperation is our strongest guarantee of durable industrial peace in the years after the war.

SOLDIERS ON STRIKES

Washington, D. C.—What do America's men in uniform think about strikes? We are all familiar with the propaganda that returning soldiers will crack down on labor because of wartime strikes. Labor leaders have been concerned by this propaganda and have entertained fears that the men in the armed forces will not look upon labor's record as a record of constructive efforts to help win the war. Two letters from soldiers, just received by the American Federation of Labor, cast some interesting light on these questions. The first, written by Pfc. Edward Galowitz and published in the Mediterranean edition of the Stars and Stripes, is of the familiar, anti-union type. The second, written by Pfc. Martin A. Watkins to the editor of Stars and Stripes, tells a different story. Here it is:

Editor, Stars and Stripes:

Pfc. Edward Galowitz's request that the Stars and Stripes take an editorial stand against "present and potential strikes" at home reveals a lack of information about labor's role in the war. It also shows how much he has unduly influenced by certain reactionary newspapers in America, who, in headlining every walkout, no matter how small, attempt to give the impression that working people and their chosen union leaders are striking or lingering in washrooms most of the time, but seldom work. The result of this newspaper campaign is to say dinuthin.

In attempting to thus discredit the efforts of our relatives and friends in the war plants, certain newspapers which are owned or controlled by big business, pursue a two-fold purpose: (1) driving a wedge between labor and the civilians at home, and (2) concealing from the public eye the excessive profits which have accrued to industry during the war.

On March 24, 1943, Information and Education "Army Talk" pamphlet properly describes such attacks against labor unions as one of the methods of native, as well as foreign fascists.

To offset the reactionary drive to split the soldiers from the civilians, Chief of Staff General Marshall has ordered that soldiers be informed that labor is proud of its record. The enemy envies labor's production record and the loyalty of American labor. It is to be regretted that Pfc. Galowitz has fallen victim to some of the most biased and anti-union newspaper reporting in the history of our country.

The facts are that workers on the home front—your brothers, fathers, sisters, wives, and mothers have lost one tenth of one percent of man days worked during the war because of strikes (including jurisdictional and big union workers) according to J. A. Krug, chairman of the War Production Board. The record of American labor has never been equaled in peace or in war by the workers of any nation. It is a better record than the A-Wols and other Army lawbreakers have unhappily established for the Army—not including the time lost by "goldbricking."

When one considers that the cost of living since 1941 has risen approximately 42 percent while wages have been allowed to increase only to a maximum of 15 percent one must admit that an injustice and a cause for employe-employer dignitie pushed by the same period into the pocketbooks of big business (to come out of your pocket and my pocket in the form of taxes) have increased more than 250 percent.

In a review of any employer-employe dispute (strike) a person devoted to the principles of democracy will recognize that at least two parties are always involved—management and labor, with the cause resting at least as much with management as with labor. It must be remembered that about 95 percent of American newspapers present only management's side.

Consequently, when Pfc. Galowitz requests in effect, that the Stars and Stripes join forces with the reactionary newspapers in their efforts to discredit labor and its leaders, he speaks only for himself.

He does not speak for the majority of soldiers or for the more than ten million union men now in uniform who are well aware of the magnificent role that working people at home have played in supplying us soldiers with the tools of victory.

Respectfully yours,

Pfc. MARTIN A. WATKINS.

Congress Leaders Support Labor Against Navy on Ship Repair Rates

Washington, D. C.—Members of Congress, led by Senator Wayne Morse of Oregon, rallied to labor's defense and castigated the Navy Department as being itself responsible for the shortage of workers in West Coast shipyards because of its shortsighted wage policies.

Senator Morse charged that the Navy has been "wholly incompetent" in its labor relations and has created a serious crisis by refusing to pay an agreed-upon 11.6 percent pay differential for ship repair work in the Navy Yards and by refusing to permit private shipyards in southern California to pay this established rate.

The Oregon Senator, backed by many other lawmakers in both branches of Congress, insisted there is abundant justification for this differential because ship repair work is dirtier, more hazardous and requires greater skill than new ship construction.

President John P. Frey, of the AFL Metal Trades Department, declared at a press conference, that on the Pacific Coast the Navy Department is no longer regarded as a fair employer.

"The shipyard workers," he said, "feel convinced that the Navy Department has short-changed them in the matter of paying the ship repair rate and as a result they have lost confidence in the Navy Department's intention to deal with them in good faith."

The sharp curtailment of the merchant shipbuilding program caused many thousands of workers on the West Coast to be discharged, Frey said, who would form a potential pool of labor if the Navy Department straightened out the rate situation.

Morse was equally critical of the number of dismissals on the West Coast and the sudden demand for more workers.

He said it was typical of the military way of not planning far enough ahead when cutbacks and reconversion are considered.

There are two main factors in the rate dispute:

1. The rates paid by the Navy Department in its own shipyards in the entire West Coast.

2. The rates the Navy permits private employers in southern California area (mainly Los Angeles and San Diego) to pay for ship repairs.

Under an agreement, to which the Navy was a party, drawn in 1942, men working on ship repairs were to get 11.6 percent more than those engaged in new construction.

In figures this work out to a rate of $1.20 an hour for master mechanics on new construction, and $1.34 an hour for the more uncertain, hazardous and difficult job of ship repair.

In the first instance, the rate paid by the Navy, the agreement goes counter to an old-established Navy policy of making no differences between pay for new construction and ship repair, so the Navy does not pay the agreed-upon differential in any of its yards from Seattle south, Frey said.

In the second instance, that of the Los Angeles area, Morse pointed out, the Los Angeles private employers have always paid lower wage scale and are unwilling to meet the agreement. The Navy Department has been insisting that they do not.

If the Los Angeles and San Diego yards can keep their pay scales lower than those of any other ship repair yards on the West Coast they will have a tremendous advantage over their competitors in the boom in ship repair and reconversion work, it was pointed out.

Workers Efforts Build U. S. Navy To Highest Strength, Forrestal Says

Washington, D. C.—The tremendous growth of United States naval power, made possible by the outstanding efforts of labor, is cited by Secretary of the Navy James Forrestal in a statement indicating the number of ships now making up the world's greatest navy.

He pointed to 20 aircraft carriers and 68 escort carriers available today in contrast to the four carriers the navy had early in 1942. Mr. Forrestal revealed that in October of that year only one battleship remained. He also gave the following figures to illustrate the size of today's navy:

	Today	Early 1942
Battleships	23	16
Cruisers	67	38
Destroyers	356	173
Destroyer Escorts	368	None
Submarines	240	112

"I doubt if we ourselves had any comprehension in those days (early 1942) of the tremendous pace at which we would be able to build our military power," Mr. Forrestal said. "I am sure the Japanese did not have such knowledge.

"I am equally sure the Japanese now realize that this accumulation of power and our ability to deploy it against their headquarters and at will spells the doom of their great dreams of four years ago, although they may fight as the Germans have fought, a desperate war of suicide and self-extinction."

Radio Stars Join Letter Carriers In Radio Appeal For Higher Pay

Washington, D. C.—Radio stars joined with organized labor in a nation-wide appeal over the air to the U. S. Senate to adopt the House-approved postal employes pay bill.

The National Association of Letter Carriers, which sponsored the unusual program over the Mutual Broadcasting System, enlisted the services of radio's two comic postmen, Jerry Dingell and Mel Blanc, who did their stuff before a Hollywood studio audience.

Then William C. Doherty, president of the AFL union, speaking from Washington, told the radio audience:

"The men who carry the mail have asked me to drop this note to you. The increased cost of living is pinching them just as severely as all other citizens. They are shouldering a work load made much heavier than normal by the war. All they ask is this legislation which would give them a weekly pay increase of less than $5. They would be happy to carry a million letters from you to your Senators urging them to approve the Burch-Mead bill before Congress adjourns for the summer."

Mr. Doherty pointed out that the House had passed the bill by a vote of 361 to 1 but he warned that the measure may be buried in the Senate in the rush for adjournment. If that happens, he said, postal employes will lose the temporary wartime bonus they have been getting, which expires June 30, and suffer a $6 weekly pay cut beginning July 1. This will reduce the pay of top grade letter carriers to $30 a week, after withholding tax and retirement contributions have been deducted from the check.

Enactment of the Burch-Mead bill, he emphasized, will offset this loss and give the nation's postal employes their first increase in basic pay in more than twenty years.

THE AFL PRESENTS . . . 'BUILDERS OF VICTORY'

The Dramatic Story of Labor's Own Seabees

OVER CBS—EVERY SATURDAY—3:45 P.M., E.W.T.

Green Rallies Labor's Forces To Keep Price Law Intact

AFL Hero Praised, Promoted For Helping To Save 'Franklin'

Washington, D. C.—One of labor's outstanding war heroes, who risked his life on the blazing flight deck of the U.S.S. Franklin and helped to save the bomb-torn aircraft carrier from a second surprise attack off the coast of Japan, received special praise and a promotion from the Navy Department.

He is Chief Radio Technician Harold S. Stone, a member of the AFL's International Brotherhood of Boilermakers, Local No. 9, who used to work at the Kaiser Shipyards in Richmond, Calif.

After the first bomb hits knocked out the ship's vital communication system, Stone's Commanding Officer, Captain L. E. Gehres, was in dire need of communicating with other ships of the fleet. Stone set to work, improvising a duplication of the Army's famous "Walkie-Talkie." While smoke, flame and explosions rocked the Franklin, he picked up the warnings of returning Jap planes.

In turn, this word was passed along to the crews of the 40 millimeter guns, whose fire was so accurate the Jap pilots pulled up short, and their bombs dropped harmlessly into the sea. It was on the merits of this action that Stone was promoted to Chief.

Manpower Controls Now Localized, Truman Thanks Labor-Business Aid

Washington, D. C.—Decisions to retain or remove all or part of the manpower controls will be made on an area basis under the terms of a proposal made by national and regional management-labor committees and accepted by Paul V. McNutt, chairman of the War Manpower Commission.

This method, instead of decentralizing areas from national headquarters, places the primary responsibility for modification or elimination of controls upon the persons who are most directly affected. A regional director could veto the action of an area director and the management-labor committees, if he found that an adjacent area would be adversely affected.

The statement adopted by the conference of national and regional management-labor committees follows:

"War manpower controls should be removed in each community or industry in an orderly manner consistent with war production needs and the prevention of mass unemployment.

"Origin of a decision to retain or remove any or all area controls in an area or in a plant in an area should come from the War Manpower Commission area director and management-labor committee.

"Such decision should be effective at the end of ten days after notice of the action is received by the regional director, unless the order should be vetoed within that period by the regional director in consultation with the regional management-labor committee, but if the regional director approves the order it should be effective immediately.

"Nothing in this recommendation should be construed to abrogate any existing appeal privileges."

Another statement adopted by the conference said as follows:

"It is recommended that the WMC chairman use his influence to establish a policy by the government with respect to war contracts that will permit employers to give thirty-day notice before workers are separated from payrolls if there are to be layoffs or discharges."

Chairman McNutt and a group of the management and labor leaders called on President Truman and read a statement to him pledging an "abundance" of supplies for the production of war in the Pacific. Mr. Truman thanked them for their work.

Army Awards Teamster Silver Star

Washington, D. C.—For gallantry in action under heavy enemy fire, Technical Sergeant Paul W. Gennett, member of International Brotherhood of Teamsters (AFL), has been awarded the Silver Star, the War Department announced.

On June 23, 1944, on Saipan in the Marianas, as a platoon of the 27th Infantry Division moved from a wooded area into open terrain, heavy enemy machine gun, mortar and rifle fire was directed at them. Sergt. Gennett, upon seeing several of his comrades fall, ran out into an open field and succeeded in carrying a wounded man to safety.

When placed in command of his platoon a few days later, he led it forward for the remainder of the campaign exhibiting outstanding qualities of leadership, the War Department said.

The 29-year-old soldier has since participated in the fighting on Okinawa and has spent a total of 38 months in the Pacific area.

A brother, Walter Gennett, is serving with the navy's Seabees in the Pacific. His parents, Mr. and Mrs. Clarence Gennett, live at Lower Landing Road, Blackwood, N. J.

New Haven Adopts Model Ordinance Permitting City Workers To Unionize

New Haven, Conn.—The New Haven Board of Aldermen passed a comprehensive ordinance which protects city employes in their right to join unions. The ordinance was described by Harold W. Kellock, president and treasurer of the Connecticut Federation of Labor, as "one of the broadest laws of its kind passed by any municipal legislative body in the country." The Connecticut Federation of Labor was especially active in working for the passage of the bill which, it is expected, will be copied in other cities.

As a result of organizing work by the New Haven Central Labor Council in conjunction with the American Federation of State, County, and Municipal Employes, locals of the police, fire, and school custodians have been set up in New Haven, and a teachers local is now being planned. The ordinance will give great impetus to the drive to organize all city employes.

Because other cities will be interested in this progressive new law, the text of the New Haven ordinance is published herewith:

"Be it ordained by the Board of Aldermen of the City of New Haven:

"1. It is hereby affirmed that all municipal employes shall have the right to form or join organizations of their own choosing, for the purpose of their mutual aid and benefit.

"2. No city official or his representative, and no city board or member thereof, shall interfere with, restrain, or coerce municipal employes in the exercise of the rights guaranteed in Section 1.

"3. No city official or his representative, and no city board or member thereof, shall interfere with the administration of any organization which municipal employes may form or join, nor shall he contribute financial support to any such organization.

"4. Whenever differences with organizations of municipal employes shall prohibit any employe from participating in a stoppage of work or in a strike against the city of New Haven.

"5. All departments and administrative heads of the city of New Haven shall formulate and establish in their respective departments or agencies effective machinery whereby grievances, complaints, problems or suggestions may be presented by the said organizations and/or their duly authorized representatives.

"6. It is hereby affirmed that no employe shall be punished, disciplined, or discriminated against, nor shall his status, position, salary advancement, or any other rights be affected in any way by reason of his membership in any such organizations, or his lawful activities therein.

"7. The mayor shall have the right to intervene in any dispute between any such organization and any department of the city, if he deems it desirable or necessary in the interest of the city."

AFL WINS CLOSE CONTEST

Kansas City.—After one of the toughest and most bitterly contested organization campaigns ever witnessed in this vicinity, the AFL telegraphed over the CIO in an election among employes of the war battery plant of the Bay Creek Company here. The vote was 404 for the AFL to 399 for the CIO.

Warns of Profiteering and Inflation Unless OPA Is Extended

Washington, D. C.—Rallying the forces of labor against the threat of inflation, AFL President William Green demanded extension of the Price Control Act for eighteen months without modification.

Mr. Green called upon all American Federation of Labor affiliates to designate the week of June 10-17 as "Fight Inflation Week" and added:

"I urge our entire membership to voice to the Congress during that week their determined opposition to the modification of the Price Control Act or its curtailment as inimical to the best interests of labor and of the nation."

Mr. Green warned that strong influences are developing to cripple the price control law through amendments or to limit its extension to only six months beyond the present expiration date, June 30.

He insisted that the law must be extended for another year and a half "in order to protect the incomes of wage earners, the savings of War Bond holders and the morale of the entire nation from the destructive effects of a runaway inflation which, without price control, we cannot escape."

In a circular letter to all State Federations and city central bodies, Mr. Green added:

"Labor must be especially mindful of the fact that limiting the extension of price control to a short period, such as six months, would cripple the reconversion and reemployment program and result in widespread idleness.

"It is plain that if Congress declares its intention to terminate all price controls at the end of this year, producers of civilian goods, anticipating a sharp price advance after the controls are ended, would hold their products off the market until that time and thus create artificial shortages.

"Others will be encouraged to hold back their production until after the controls are off. In the meantime, advance notice to the general public that prices will be allowed to go up at the end of the year is bound to result in a stampede for the civilian goods still on the market by all those who would want to buy them before the certain rise in prices.

"The American Federation of Labor is unalterably opposed to the modification of the Price Control Act. We oppose with equal vigor any attempt to curtail its extension from the eighteen-month period originally proposed. Labor must make its voice heard and representatives of our unions should urgently communicate with members of Congress to make their views known."

ORDER OF EAGLES CHIEF ENDORSES ANNUAL WAGE

Washington, D. C.—Endorsement of organized labor's efforts to obtain a guaranteed annual wage was expressed here by John W. Young, president of the Fraternal Order of Eagles. He said:

"The guaranteed annual wage will encourage employment and assure workers a steady income. It will remove from the American worker the daily trifle of not knowing what his income will be next week or next month. It will stabilize our economy. It will benefit the farmer and the small and white collar worker.

"In the months to come the Fraternal Order of Eagles will work with labor in its argument and management in bringing home to the American people the facts of this vital issue."

AFL GETS 100% VOTE IN COKE FIRM ELECTION

Bradford, Pa.—Production employes of the Koppers Coke Co. plant here voted 100 percent for the AFL in a labor board election, marking one of the very few instances of a unanimous vote in NLRB history.

Naturally, the AFL was promptly certified as the sole collective bargaining agency for the workers and proceedings are already under way to negotiate a contract with management. Among the employe demands is a pay increase of 20 cents an hour retroactive to February, 1944.

MACHINISTS WIN VOTE AT UNITED AIRLINES

Washington, D. C.—Making another deep inroad in the air transportation field, International Association of Machinists brought the big United Airlines under its banner.

In a National Mediation Board election, among nearly 1,000 shop mechanics and helpers of the line—principally at Cheyenne and San Francisco—the I. A. M. rolled up a majority over three competing unions.

In another important contest, at Henry Kaiser's shell-loading plant in Fontana, Calif., the I. A. M. whipped the CIO by a large margin.